```
U.S. COURTS
     Jon S. Gorski, Esq.
1
     MOFFATT, THOMAS, BARRETT, ROCK &
                                                                     MAY 1 1 1998
     FIELDS, CHARTERED Post Office Box 829
2
                                                                  C'D______FILED ____
CAMERON S. BURKE
CLERK IDAHO
                                                               REC'D-
     Boise, Idaho 83701
3
     Telephone: (208) 345-2000
4
     H. Paul Kondrick, Esq. (Pro hac vice)
     Richard C. Norton, Esq. (Pro hac vice)
2150 West Washington Street, Suite 402
5
     San Diego, California 92110
Telephone: (619) 291-2400/297-1800
 б
 7
    Attorneys for Moving Parties,
Barbara J. Wussler, William
Wussler, a/k/a Doc Wussler
 8
 9
10
                           UNITED STATES BANKRUPTCY COURT
11
                                   DISTRICT OF IDAHO
12
13
                                                CASE NO. 93-02385-JDP
14
     In re
                                                Chapter 7
     DAVE SILVA, d/b/a NOS OTNOS,
15
     INC., and SHARON SELMASSKA,
                                                DECLARATION OF RICHARD C.
                                                NORTON IN SUPPORT OF MOTION TO
     a/k/a SHAREN SILVA, d/b/a
16
     NOS OTNOS, INC., d/b/a
                                                ALTER OR AMEND ORDER ENTERED
                                                ON APRIL 30, 1998
     S & S CLEANING,
17
                              Debtors.
                                                [F.R.C.P., Rule 59(e);
18
                                                F.R.B.P., Rule 9023]
19
                                                Date: No hearing set
20
                                                Place: Boise, Idaho
21
22
           I, Richard C. Norton, declare as follows:
23
                  I am an attorney at law and a member of the bar of the State
24
25
26
27
```

of California. I am duly licensed to practice law before all courts in the State of California and have been admitted to appear before this court in this bankruptcy proceeding on a pro hac vice basis. I represent Barbara J. Wussler ("Mrs. Wussler"), William Wussler,

2 3 4

a/k/a Doc Wussler ("Mr. Wussler") and The Court Room, Inc. ("TCR Inc."), (hereinafter collectively referred to as the "Wusslers"), in this bankruptcy proceeding. All information contained herein is within my personal knowledge and if called as a witness, I could and would competently testify thereto.

- 2. On April 30, 1998 this court heard the trustee's motion to approve the agreement to compromise and settle all claims between the trustee and creditor, Mrs. Wussler. This court denied the trustees's motion. Based on the statements from the court at the hearing on the motion to approve the compromise, it appears that the primary basis for the denial of the motion was that the settlement "doesn't resolve the entire litigation matter" because the litigation matter in California and in the adversary proceeding will remain pending between the Wusslers and the debtor, Mr. Silva.
- 3. To my understanding, in the California action (C. Barry Zimmerman, etc., v. Barbara J. Wussler, et al. And Related Cross-complaints, bearing San Diego Superior Court, Civil Case No. 694631), voluntary settlement conferences were heard between the parties before the Honorable Philip Sharp, presiding, on October 20, 1997 and November 4, 1997. At those settlement conferences, defendants, Mr. and Mrs. Wussler and The Court Room, Inc., a California corporation ("TCR, Inc.") and the trustee in bankruptcy, John Krommenhoek ("Krommenhoek"), through counsel, attempted to enter into a global settlement of all claims, known and unknown, including matters currently on appeal, between the parties to these disputes including the bankruptcy trustee, judgment creditor, Mrs. Wussler, and the debtor, Dave Silva ("Silva").

4. Negotiation notes indicate that at the October 20, 1997 settlement conference before Judge Sharp (San Diego Superior Court), the debtor, through his California counsel, Arthur Sloane, proposed a "global settlement," that: (a) the amount of \$125,000.00 be the non-dischargeable amount between debtor, Mr. Silva, and the judgment creditor, Mrs. Wussler to be paid into a trust created for the benefit of the five (5) children that resulted from the previous marriage between debtor, David Silva and creditor, Barbara Wussler; (b) David Silva pay for the drafting of a trust agreement, with \$750.00 to be paid Mrs. Wussler to make reasonable changes to the trust agreement; and (c) there be a mutual releases of all claims, known and unknown.

- 5. I am informed that at the conclusion of the October 20, 1997 settlement conference, the foregoing proposal was presented by debtor for moving parties' consideration at a continued settlement conference.
- 6. I am informed that when the settlement discussions resumed before Judge Sharp on November 4, 1997, the Wusslers agreed to proceed, in principle, with the above-referenced proposal; however, the debtor, Mr. Silva, recanted on his proposal including but not limited to Mrs. Wussler being the trustee for the \$125,000.00 trust to be established for the interests of the children of Mr. Silva and Mrs. Wussler, through marriage. For instance, the debtor, Mr. Silva, arbitrarily revoked his earlier proposal that the judgment creditor, Mrs. Wussler, be the sole trustee of the children's trust; but rather, Mr. Silva insisted that there be a "neutral person" to serve as trustee. Whenever an agreement seemed possible, debtor, Silva, imposed a new condition until settlement talks were fully terminated.

7. If called as a witness in the above-entitled matter, I could and would competently testify to the foregoing facts which are within my personal knowledge, except as to those matters stated on information, belief or opinion, and as to those matters, I believe the same to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

EXECUTED this 11th day of May, 1998, in San Diego, California.

Richard C. Norton